

Scope of supply

7. ^[1] Scope of supply.

(1) ^[2] For the purposes of this Act, the expression “supply” includes—

- a. all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
- b. import of services for a consideration whether or not in the course or furtherance of business; ^[3] [and] ^[4]
- c. the activities specified in Schedule I, made or agreed to be made without a consideration; ^[5] [*] ^[6]
- d. ^[7] ^[8]

[(1A)where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.] ^[9]

2. Notwithstanding anything contained in sub-section (1),—

- a. activities or transactions specified in Schedule III; or
- b. such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services.

3. Subject to the provisions of sub-sections (1) ^[10] [(1A)] ^[11] and (2), the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as—

- a. a supply of goods and not as a supply of services; or
- b. a supply of services and not as a supply of goods.

^[1] Enforced with effect from 1.7.2017.

^[2] Refer Not. Nos. 14/2017- CTR, dt. 28.6.2017 & 16/2018- CTR, dt. 26.7.2018; refer also Cir. No. 1/2017- GST, dt. 7.7.2017; Cir. No. 21/2017- GST, dt. 22.11.2017; also Cir. No. 57/2018- GST, dt. 4.9.2018; Cir. No. 73/2018- GST, dt. 5.11.2018 & Cir. No. 80/2018- GST, dt. 31.12.2018; Cir. No. 121/2019- GST, dt. 11.10.2019.

^[3] Retrospective amendment w.e.f 1st July 2017 inserted by CGST Amendment Act, 2018, vide CGST Not. No. 02/2019 dt. 29.01.2019..

^[4] Phrase “and;
(d) *the activities to be treated as supply of goods or supply of services as referred to in Schedule II.*”
Retrospective amendment w.e.f 1st July 2017 omitted by CGST Amendment Act, 2018 vide CGST Not. No. 02/2019 dt. 29.01.2019.

^[5] Retrospective amendment w.e.f 1st July 2017 omitted by CGST Amendment Act, 2018 vide CGST Not. No. 02/2019 dt. 29.01.2019.

^[6] Retrospective amendment w.e.f 1st July 2017 inserted by CGST Amendment Act, 2018 vide CGST Not. No. 02/2019 dt. 29.01.2019.

^[7] Retrospective amendment w.e.f 1.7.2017 substituted by CGST Amendment Act, 2018 vide CGST Not. No. 02/2019 dt. 29.01.2019.